

PERFORMING LOAN BOOK INCREASED 8% AT THE CLOSE OF 2Q22, BOOSTED BY DEMAND REACTIVATION

- In 2Q22, Grupo Financiero Banorte (GFNorte), registered annual increases across the complete credit portfolio: 12% in Corporate, 8% in Government and Consumer, and 7% in the Commercial book.
- Payroll and Credit card portfolios rose 14% and 11% respectively, whereas mortgages reached 6% and auto 3%.
- Non-performing loans ratio stood at 1.0%, one of the healthiest in the system.
- Core deposits grew 11% in the same period.
- Capital Adequacy Ratio reached 22.9%, Core Tier 1 13.7%, Leverage ratio 11.7%, and Liquidity Coverage Ratio stood at 177%.
- “Mexican families and companies are increasingly demanding credit, and the Strong Bank of México is here to support them. Our quarterly results reflect that we are and will always be close to Mexicans”: Carlos Hank González.

Mexico City, July 21, 2022.— Grupo Financiero Banorte (GFNorte) reported an 8% annual increase in the Performing Loan Book, at the end of 2Q22, boosted by a sound recovery in credit products' demand, despite the challenging macroeconomic environment. **Corporate book** increased 12%; while **Consumer and Government portfolios** grew 8%, while the **Commercial book** rose 7% year over year.

The quality of the loan portfolio continues to stand out in all segments comprising GFNorte's loan book. **Non-performing Loans Ratio stood at 1.0%**, one of the healthiest in the system.

Moreover, GFNorte presented solid capital and liquidity ratios. **Capital Adequacy Ratio** reached 22.9%, **Core Tier 1** totaled 13.7%, **Leverage ratio** 11.7%, and **Liquidity Coverage Ratio** stood at 177%.

Carlos Hank González, Chairman of GFNorte's Board of Directors, commented: “Mexican families and companies are increasingly demanding credit, and the Strong Bank of México is here to support them. Our quarterly results reflect that we are and will always be close to Mexicans”.

Outstanding growth in Deposits

At the end of 2Q22, **Core Deposits** totaled Ps 833.98bn, **increasing 11%** year over year.

Demand Deposits grew **15%**, reaching Ps 615.73bn, while **Time Deposits** increased **2%**, reaching Ps 218.25bn.

Healthy Growth in the Loan Portfolio

GFNorte's **Performing Loan Portfolio** totaled Ps 860.77bn in 2Q22, up **8%** vs the same quarter of the previous year.

The **Consumer Portfolio**, which reflects financing to Mexican families, reached Ps 339.03bn, **rising 8%** vs 2Q21.

When analyzing the Consumer Portfolio, **Mortgages** grew **6%**, reaching 207.52bn and **Auto** increased **3%** totaling Ps 28.87bn.

Payroll Book amounted to Ps 61.59bn, **14% higher** than 2Q21. **Credit card** balances totaled Ps 41.04bn, **increasing 11%** year over year.

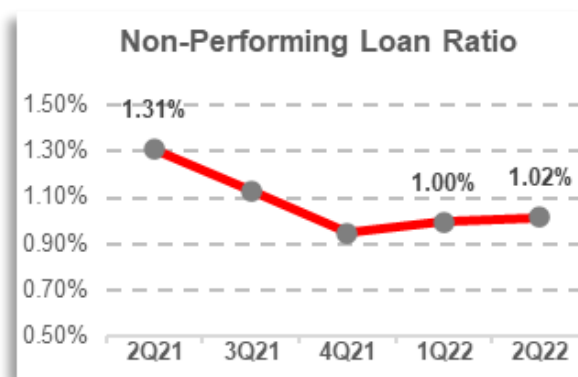
The **Commercial portfolio** totaled Ps 207.27bn, growing 7% annually; **Corporate loans** reached Ps 148.03bn, a **12%** increase vs 2Q21, and **Government loans** amounted to Ps 166.43bn, **8%** higher compared to the same period of 2021.

Table 1. Performing Loan Portfolio

Performing Loan Portfolio, stage 1+2 <i>(Million Pesos)</i>	2Q21	2Q22	Change 2Q21
Performing Loan Portfolio, Stages 1 + 2			
Mortgages	196,179	207,524	6%
Auto Loans	28,131	28,872	3%
Credit Card	36,853	41,044	11%
Payroll	53,868	61,591	14%
Consumer	315,031	339,031	8%
Commercial	193,287	207,275	7%
Corporate	132,162	148,027	12%
Government	154,649	166,433	8%
Performing Loan Portfolio, Stages 1 + 2	795,128	860,766	8%

Non-performing loans ratio stood at **1.0%** in 2Q22, improving (29bps) vs. 2Q21.

Graph 1. Non-Performing Loan Ratio



Main Financial Results

GFNorte's **Net Income** for 2Q22 totaled **Ps 11.52bn**, **7% higher vs 1Q22**.

At the close of 2Q22 **ROE** stood at **19.6%**, whereas **ROA** reached **2.3%**. **NIM** ended the period at **5.9%** and the **Efficiency Ratio** reached **37.8%**.

The financial group reported **Earnings Per Share of Ps 3.996** in 2Q22.

Milestone in digital transformation

During the 2Q22, **mobile banking exceeded 5 million clients, increasing 25% year over year** compared to 4 million registered in the same period last year.

Banorte's total digital clients registered a 22% annual increase, moving from 5.5 million in 2Q21 to **6.7 million in 2Q22**.

Current events:

World Finance recognized Banorte as Best Retail Bank and Best Corporate Governance in Mexico 2022

In June 2022, the international publication, World Finance, awarded Banorte as Best Retail Bank and Best Corporate Governance in México for the second year in a row. Banorte was the only bank in México recognized by the publication in 2022.

World Finance recognizes Afore XXI Banorte as Best Pensions Fund in Mexico 2022

In June 2022, Afore XXI Banorte was recognized as the Best Pension Fund by World Finance. It was highlighted that Afore XXI Banorte is México's largest retirement fund manager in terms of assets under management.

Grupo Financiero Banorte was included in the FTSE4Good Sustainability index

In June 2022, FTSE Russell announced that GFNorte is part of the FTSE4Good index series, as of that month, as a consequence of Banorte's strength in Environmental, Social and Governance practices (ESG). The indices of which it is part are:

- FTSE4Good Emerging Indexes
- FTSE4Good Emerging Latin America Index
- FTSE4Good BIVA Index

The Banker positions Banorte on the top 5 Best-capitalized Banks in Latin America

In July 2022, The Banker positioned Banorte within the "Top 1000 World Banks 2022". Classifying it as one of the top 5 best-capitalized banks in Latin America and the best Mexican bank capitalized in the country.

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About Banorte

Grupo Financiero Banorte (GFNorte) is the largest Mexican financial institution. It offers financial services to individuals and companies through its businesses: banking, brokerage house, fund operator, insurer, pensions, leasing and factoring company, warehousing, portfolio manager and Uniteller remittance company.

GFNorte also integrates Afore XXI Banorte, the largest in the country by asset management. GFNorte is a public company listed on the main indicator of the Mexican Stock Exchange, and has more than 30,000 employees, 1,100 branches, 9,700 ATMs, 156,000 point of sale terminals, and 18,800 correspondents.

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